JENNIFER M. GRANHOLM GOVERNOR

STATE OF MICHIGAN

DEPARTMENT OF NATURAL RESOURCES



Lansing

February 22, 2008

The Honorable Michelle McManus, Chair Senate Appropriations Subcommittee on Natural Resources S-2 Capitol Building P.O. Box 30036 Lansing, Michigan 48909-7536

The Honorable Michael Lahti, Chair House Appropriations Subcommittee on Natural Resources S-1489 House Office Building P.O. Box 30014 Lansing, Michigan 48909-7514

Dear Senator McManus and Representative Lahti:

Pursuant to Section 706 of 2007 PA 122, the Department of Natural Resources (DNR) is required to report on a plan for generating annual corporate sponsorships in state parks. The Parks and Recreation Division (PRD) is charged with seeking sponsorship opportunities in an effort to generate additional revenue for state parks and recreation areas operations.

The PRD has been developing methods of generating new revenue for several years. Employees in PRD at every level are engaged in the pursuit of new revenue sources. Many of these efforts have involved sponsorship of events in parks and recreation areas, utilizing recreational and business partners.

Many forms of partnerships and sponsorships have been pursued by PRD, such as cash gifts and donations; alternative funding, such as grants; charitable trust funds; volunteer efforts; corporate and governmental entities grants and donations; and labor, materials, and other forms of value.

Some examples of PRD's success in achieving sponsorship funding are:

- W.K. Kellogg Foundation funding of \$3 million to create universally accessible features in state parks and recreation areas, and to augment the Michigan Natural Resources Trust Fund grant program.
- Donation of \$242,000 from the Friends of the White Pine Trail to match a Michigan Department of Transportation grant to extend paving on the White Pine Trail, which was completed in 2007.
- Private donation of \$75,000 toward a new playground at Dodge #4 State Park.
- Private donation of \$45,000 for a playground at Wells State Park.
- Sponsorship funding for new events held in state parks and recreation areas in 2007.

In addition, work continues on the following to achieve additional corporate sponsorship:

 Development of a new parks and recreation system strategic plan that would include a strategy for developing sponsorships. Senator Michelle McManus Representative Michael Lahti Page 2 February 22, 2008

- Development of a DNR naming rights policy and a partnership/sponsorship policy; both were approved at the February Natural Resources Commission (NRC) meeting.
- Development of an events plan to bring in businesses and users (i.e.: recreational vehicle shows, car shows).
- Development of a Gift Guide for the parks and recreation system, which would allow people and corporations to see what they could "give" to the parks for a particular donation amount.

The Citizens Committee for Michigan State Parks (CCMSP), which was established in statute and formed in 2004, is a very important partner in PRD's efforts. One of its charges is to "pursue adequate budget support for state parks." The Committee continues to review and study options for long-term sustainable funding.

In addition, PRD is working to re-establish the non-profit Michigan State Parks Foundation. An organization of this type is essential for success in generating new revenue.

PRD has had some success to date in generating new revenue through means such as gifts, donations, sponsorships, and as grant recipients. However, as previously mentioned, not all of the tools are yet in place to maximize sponsorship opportunities. The pursuit of sponsorship opportunities is a long-term process to which the entire DNR is committed.

If you have any questions, please feel free to contact me.

Sincerely,

Sharon M. Schafer, Chief Budget and Support Services 517-335-3276

cc: Senate Appropriations Subcommittee Members House Appropriations Subcommittee Members

House Appropriations Subcommittee Member

Ms. Jessica Runnels, Senate Fiscal Agency

Dr. Kirk Lindquist, House Fiscal Agency

Mr. Bob Emerson, State Budget Director, Department of

Management and Budget (DMB)

Mr. Jacques McNeely, DMB

Ms. Jennifer Harrison, DMB

Director Rebecca Humphries, DNR

Mr. Dennis Fedewa, Chief Deputy, DNR

Ms. Mindy Koch, Resource Management Deputy, DNR

Mr. Dennis Fox, Chief of Staff, DNR

Mr. Daniel Eichinger, Acting Legislative Liaison, DNR

Mr. Ron Olson, DNR

Mr. Joseph Frick, DNR

Ms. Jane Schultz, DNR